

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	W.R. Grace & Co. Conn.	W.R. Grace & Co. Mont.	Remediation Group Ind.	GGT, Inc.	CC Partners	Grace Washington Conn.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 43,482,459	\$ -	\$ (169,951)	\$ -	\$ -	\$ -
Notes and accounts receivable, net	110,993,563	-	23,965	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	268,104,386	(389,032,872)	(426,579)	12,971,464	(27,828,792)	(9,591,548)
Inventories	74,585,010	-	-	-	-	-
Deferred income taxes	26,506,795	-	2,081,102	-	-	-
Asbestos-related insurance expected to be realized within one year	(2,408)	-	-	-	-	-
Other current assets	54,543,791	-	-	-	-	-
<b>Total Current Assets</b>	<b>578,213,595</b>	<b>(389,032,872)</b>	<b>1,508,536</b>	<b>12,971,464</b>	<b>(27,828,792)</b>	<b>(9,591,548)</b>
Properties and equipment, net	385,413,785	-	483,152	-	-	-
Goodwill, net	14,499,090	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	82,389,568	-	-	-	-	-
Deferred income taxes	803,681,432	-	44,101,884	-	-	-
Asbestos-related insurance expected to be realized after one year	282,629,577	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,092,803,128)	809,023,459	124,485,410	4,591,453	199,065,790	-
Investment in filing and non-filing entities	800,397,133	241,512,111	-	-	-	-
Other assets	79,366,243	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,933,787,294</b>	<b>\$ 661,502,698</b>	<b>\$ 170,578,982</b>	<b>\$ 17,562,917</b>	<b>\$ 171,236,998</b>	<b>\$ (9,591,548)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	38,443,248	-	6,564	-	-	-
Income taxes payable	1	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	0	-	-	-	-	18,186
Other current liabilities	69,679,999	-	31,496	-	-	-
<b>Total Current Liabilities</b>	<b>108,123,248</b>	<b>-</b>	<b>38,060</b>	<b>-</b>	<b>-</b>	<b>18,186</b>
Long-term debt - DIP facility	(438,134)	-	-	-	-	-
Deferred income taxes	224,541,187	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	(0)	-	-	-	-	-
Other liabilities	229,419,824	0	0	-	0	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>561,646,124</b>	<b>0</b>	<b>38,060</b>	<b>-</b>	<b>0</b>	<b>18,186</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	539,770,876	-	-	-	-	-
Accounts payable	31,279,733	-	665,607	-	-	-
Income taxes payable	155,753,716	34,761,404	1,700,785	72,232	10,051,702	(247,085)
Asbestos-related liability	972,363,778	-	-	-	-	-
Other liabilities	393,695,502	188,091	131,951,388	-	32,239,894	-
<b>Total Liabilities Subject to Compromise</b>	<b>2,092,863,605</b>	<b>34,949,495</b>	<b>134,317,780</b>	<b>72,232</b>	<b>42,291,596</b>	<b>(247,085)</b>
<b>Total Liabilities</b>	<b>2,654,509,729</b>	<b>34,949,495</b>	<b>134,355,840</b>	<b>72,232</b>	<b>42,291,596</b>	<b>(228,899)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	769,038	12,223	1,000	-	1,000
Paid in capital	142,809,878	428,599,433	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(605,186,994)	333,275,741	26,486,470	(16,562,782)	72,933,825	(9,363,649)
Treasury stock, at cost	-	(136,091,108)	-	-	-	-
Accumulated other comprehensive loss	(342,314,278)	100	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>(720,722,435)</b>	<b>626,553,203</b>	<b>36,223,142</b>	<b>17,490,685</b>	<b>128,945,402</b>	<b>(9,362,649)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,933,787,294</b>	<b>\$ 661,502,698</b>	<b>\$ 170,578,982</b>	<b>\$ 17,562,917</b>	<b>\$ 171,236,998</b>	<b>\$ (9,591,548)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	Litigation Management, Inc.	Grace Europe, Inc.	U.S. Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Aeris Land Corporation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 0	\$ 4,134,686	\$ -
Notes and accounts receivable, net	-	83,435	-	-	2,353,321	-
Receivables from/(payables to) filing and non-filing entities, net	(365,073,826)	5,939,810	140,477,802	(91,533,763)	(1,127,587)	(5,203,241)
Inventories	-	(0)	-	-	99,261	-
Deferred income taxes	-	78,952	-	-	17,655	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>(365,073,826)</b>	<b>6,102,196</b>	<b>140,477,802</b>	<b>(91,533,763)</b>	<b>5,477,336</b>	<b>(5,203,241)</b>
Properties and equipment, net	-	-	-	-	817,140	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	38,161	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	437,706,439	(3,455,800)	-	38,573,723	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	-	156,595	1,184,127
<b>Total Assets</b>	<b>\$ 72,632,613</b>	<b>\$ 2,738,558</b>	<b>\$ 140,477,802</b>	<b>\$ 5,709,425</b>	<b>\$ 6,451,070</b>	<b>\$ (4,019,113)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	22,430	-	852,792	237,244	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	350,434	-	-	241,579	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>372,864</b>	<b>-</b>	<b>852,792</b>	<b>478,823</b>	<b>-</b>
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	0	-	-	146,497	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>-</b>	<b>372,865</b>	<b>-</b>	<b>852,792</b>	<b>625,320</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	22,775,294	(742,893)	(47,202)	(6,265,495)	919,570	(300)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	225,576	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>22,775,294</b>	<b>(517,317)</b>	<b>(47,202)</b>	<b>(6,265,495)</b>	<b>1,053,477</b>	<b>(300)</b>
<b>Total Liabilities</b>	<b>22,775,294</b>	<b>(144,452)</b>	<b>(47,202)</b>	<b>(5,412,703)</b>	<b>1,678,797</b>	<b>(300)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	45,067,489	-	274,606
(Accumulated deficit)/Retained earnings	79,123,617	(429,081)	115,166,011	(35,757,330)	4,771,273	(4,293,619)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,311,091	-	1,810,969	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>49,857,319</b>	<b>2,883,010</b>	<b>140,525,004</b>	<b>11,122,128</b>	<b>4,772,273</b>	<b>(4,018,813)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 72,632,613</b>	<b>\$ 2,738,558</b>	<b>\$ 140,477,802</b>	<b>\$ 5,709,425</b>	<b>\$ 6,451,070</b>	<b>\$ (4,019,113)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
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	Alewife Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermediate Inc.	MRA Stirling Systems, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net						
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(10,752)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(2,143,580)	-	(57,817,172)	(110)	(330)	(10,752)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 56,000,825</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(3,912)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(210)	-	-	(110)	(330)	(3,912)
<b>Total Liabilities</b>	(210)	-	-	(110)	(330)	(3,912)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,504,737
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	56,004,737
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 56,000,825</b>

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	Koolenar Development Company, Inc.	CB Biomedical, Inc.	Amicon, Inc.	W.R. Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil Resin & Fiberglass, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 29,162	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(16,214)	(26,718,452)	57,347,191	(7,288,816)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	6,320	-	-	-	-	-
<b>Total Current Assets</b>	<b>19,268</b>	<b>(26,718,452)</b>	<b>57,347,191</b>	<b>(7,288,816)</b>	<b>-</b>	<b>-</b>
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	1,630,940	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,650,208</b>	<b>\$ (26,718,452)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,288,816)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	551,649	5,000	-	-	-	-
<b>Total Current Liabilities</b>	<b>551,649</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>551,649</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(6,176)	(104,625)	10,346,794	(5,220)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>(6,176)</b>	<b>(104,625)</b>	<b>10,346,794</b>	<b>(5,220)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>545,473</b>	<b>(99,625)</b>	<b>10,346,794</b>	<b>(5,220)</b>	<b>-</b>	<b>-</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	5,150	-	-
Paid in capital	1,104,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(219)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(99,212)	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>1,104,735</b>	<b>(26,618,827)</b>	<b>47,000,396</b>	<b>(7,283,596)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,650,208</b>	<b>\$ (26,718,452)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,288,816)</b>	<b>\$ -</b>	<b>\$ -</b>

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Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

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**Combining Balance Sheet**  
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**January 31, 2002**

	Stevens, Galt & Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co. Inc.	Grain Processing Investors, Inc.	G.G. Limited Partners I, Inc.	Monmouth Enterprises, Incorporated
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,464)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	5,824,284	(101,989)	(1,119,103)	10,284,124	330	(2,417,464)
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	\$ 5,824,284	\$ (7,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,464)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
<b>Total Current Liabilities</b>	-	-	-	3	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	3	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(200)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(110)	-	(110)	(560)	(560)	(200)
<b>Total Liabilities</b>	(110)	-	(110)	(557)	(560)	(200)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,989,414
(Accumulated deficit)/Retained earnings	(52)	(9,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	5,824,394	(7,966)	(1,118,993)	10,284,682	890	(2,417,264)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ 5,824,284	\$ (7,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,464)

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H.C. Inc.	Handover Square Corporation	Edamp, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,924)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(26,312,455)	(5,132,924)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	1,184,871
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,924)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	(809)	(110)	(210)	(110)	(30)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	(809)	(110)	(210)	(110)	(30)
<b>Total Liabilities</b>	-	(809)	(110)	(210)	(110)	(30)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(45,812)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(45,712)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,924)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	W.R. Grace Land Corporation	G.C. Management, Inc.	Water Street Corporation	Del Norte Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	36,708,378	25,045	(73,061)	(12,559,393)	174,205	(19,460,759)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>36,708,378</b>	<b>25,045</b>	<b>(73,061)</b>	<b>(12,559,393)</b>	<b>174,205</b>	<b>(19,460,259)</b>
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
<b>Total Assets</b>	<b>\$ 42,993,184</b>	<b>\$ 25,045</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,393)</b>	<b>\$ 612,650</b>	<b>\$ (19,456,193)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	3,483
<b>Total Current Liabilities</b>	-	-	-	-	199	7,549
Long-term debt - DIP facility	-	-	-	-	438,134	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	438,333	7,549
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(758)	-	(110)	(140)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>(758)</b>	<b>-</b>	<b>(110)</b>	<b>(140)</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>(758)</b>	<b>-</b>	<b>(110)</b>	<b>(140)</b>	<b>438,333</b>	<b>7,549</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	25,045	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>42,993,942</b>	<b>25,045</b>	<b>(72,951)</b>	<b>(12,559,253)</b>	<b>174,317</b>	<b>(19,463,742)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 42,993,184</b>	<b>\$ 25,045</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,393)</b>	<b>\$ 612,650</b>	<b>\$ (19,456,193)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	Creative Food Pro- cessing Company	Grace PAM Corporation	Grace A-B Inc.	Honco International Inc.	GPO Thomasville Corp.	Grace Ventures Corp.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,479,269	6,345,376	810,290	(59,581,422)	(160)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>23,479,269</b>	<b>6,345,376</b>	<b>810,290</b>	<b>(59,581,422)</b>	<b>(160)</b>	<b>(86,721)</b>
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 23,479,269</b>	<b>\$ 6,345,376</b>	<b>\$ 810,290</b>	<b>\$ (59,581,422)</b>	<b>\$ (160)</b>	<b>\$ (86,721)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(879)	(285)	(310)	(190)	(160)	(110)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>(879)</b>	<b>(285)</b>	<b>(310)</b>	<b>(190)</b>	<b>(160)</b>	<b>(110)</b>
<b>Total Liabilities</b>	<b>(879)</b>	<b>(285)</b>	<b>(310)</b>	<b>(190)</b>	<b>(160)</b>	<b>(110)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>23,480,148</b>	<b>6,345,661</b>	<b>810,600</b>	<b>(59,581,232)</b>	<b>-</b>	<b>(86,611)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 23,479,269</b>	<b>\$ 6,345,376</b>	<b>\$ 810,290</b>	<b>\$ (59,581,422)</b>	<b>\$ (160)</b>	<b>\$ (86,721)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



Chart 4

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	Grace Energy Corporation	GSC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B, Inc.	Grace H-S, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net						
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,889	875,359	(5,264)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>352,712,699</b>	<b>4,389,612</b>	<b>(15,750,664)</b>	<b>5,296,889</b>	<b>875,359</b>	<b>(5,264)</b>
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,889</b>	<b>\$ 875,359</b>	<b>\$ (5,264)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(119)	(110)	-	(310)	(310)	(210)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	<b>(119)</b>	<b>(110)</b>	<b>-</b>	<b>(310)</b>	<b>(310)</b>	<b>(210)</b>
<b>Total Liabilities</b>	<b>(119)</b>	<b>(110)</b>	<b>-</b>	<b>(310)</b>	<b>(310)</b>	<b>(210)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>504,081,905</b>	<b>(9,746,003)</b>	<b>(15,750,664)</b>	<b>5,297,199</b>	<b>875,669</b>	<b>(5,054)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,889</b>	<b>\$ 875,359</b>	<b>\$ (5,264)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company, LLC	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,130	130,478,108	145,501,706	(81,115,073)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	108,130	130,478,108	145,501,706	(81,115,073)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	\$ 108,130	\$ 130,478,108	\$ 145,501,706	\$ (81,115,073)	\$ 47,407,796	\$ -
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Long-term debt - DIP facility	-	-	-	-	-	-
Deferred income taxes	-	27,277,846	27,277,846	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	27,277,846	27,277,846	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(310)	2,012,190	2,012,290	(440)	(110)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(310)	2,012,190	2,012,290	(440)	(110)	-
<b>Total Liabilities</b>	(310)	29,290,036	29,290,136	(440)	(110)	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ 108,130	\$ 130,478,108	\$ 145,501,706	\$ (81,115,073)	\$ 47,407,796	\$ -

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 4

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	Hayden-Guth West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Notes and accounts receivable, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	-
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(7,407,100)
Asbestos-related insurance expected to be realized within one year	-	-	-	-	-
Other current assets	-	-	-	-	-
<b>Total Current Assets</b>	-	-	-	-	(7,407,100)
Properties and equipment, net	-	-	-	-	-
Goodwill, net	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(279,243,376)
Asbestos-related insurance expected to be realized after one year	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	(1,315,702,717)	47,425,043	-
Investment in filing and non-filing entities	-	-	(1,101,282)	-	-
Other assets	-	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,316,803,999)</b>	<b>\$ 47,425,043</b>	<b>\$ (286,650,477)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>					
<b>Liabilities Not Subject to Compromise</b>					
<b>Current Liabilities</b>					
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	5,000,000
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	(18,107,100)
Other current liabilities	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	(13,107,100)
Long-term debt - DIP facility	-	-	-	-	-
Deferred income taxes	-	-	-	-	(279,243,376)
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	(292,350,477)
<b>Liabilities Subject to Compromise</b>					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-
Other liabilities	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	-	-	-	-
<b>Total Liabilities</b>	-	-	-	-	(292,350,477)
<b>Shareholders' Equity (Deficit)</b>					
Preferred Stock	-	-	-	-	-
Common Stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,192,770,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(37,540,039)	99,469,305	-
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	(52,044,263)	5,700,000
<b>Total Shareholders' Equity (Deficit)</b>	-	-	(1,316,803,999)	47,425,043	5,700,000
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,316,803,999)</b>	<b>\$ 47,425,043</b>	<b>\$ (286,650,477)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**January 31, 2002**

	COMBINED FILING ENTITIES
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 47,477,855
Notes and accounts receivable, net	113,454,283
Receivables from/(payables to) filing and non-filing entities, net	40,640,914
Inventories	74,684,271
Deferred income taxes	21,277,403
Asbestos-related insurance expected to be realized within one year	(2,408)
Other current assets	54,550,111
<b>Total Current Assets</b>	<b>352,082,429</b>
Properties and equipment, net	388,337,392
Goodwill, net	14,499,090
Cash value of company owned life insurance, net of policy loans	82,389,568
Deferred income taxes	568,578,100
Asbestos-related insurance expected to be realized after one year	282,629,577
Loans receivable from/(payable to) filing and non-filing entities, net	467,148,498
Investment in filing and non-filing entities	225,017,114
Other assets	81,294,689
<b>Total Assets</b>	<b>\$ 2,461,976,458</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>	
<b>Liabilities Not Subject to Compromise</b>	
<b>Current Liabilities</b>	
Short-term debt	\$ 0
Accounts payable	39,566,345
Income taxes payable	5,000,001
Asbestos-related liability expected to be disbursed within one year	0
Other current liabilities	52,774,927
<b>Total Current Liabilities</b>	<b>97,341,272</b>
Long-term debt - DIP facility	0
Deferred income taxes	-
Asbestos-related liability expected to be disbursed after one year	(0)
Other liabilities	229,419,824
<b>Total Liabilities Not Subject to Compromise</b>	<b>326,761,096</b>
<b>Liabilities Subject to Compromise</b>	
Debt, pre-petition plus accrued interest	539,770,876
Accounts payable	32,079,248
Income taxes payable	232,974,749
Asbestos-related liability	972,363,778
Other liabilities	558,300,451
<b>Total Liabilities Subject to Compromise</b>	<b>2,335,489,102</b>
<b>Total Liabilities</b>	<b>2,662,250,198</b>
<b>Shareholders' Equity (Deficit)</b>	
Preferred Stock	112
Common Stock	771,714
Paid in capital	432,215,250
(Accumulated deficit)/Retained earnings	(113,534,115)
Treasury stock, at cost	(136,091,108)
Accumulated other comprehensive loss	(383,635,594)
<b>Total Shareholders' Equity (Deficit)</b>	<b>(200,273,740)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 2,461,976,458</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

<b>W. R. Grace &amp; Co. - Conn</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>January 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ 20,979	\$ 2,615,482	\$ (2,636,502)	\$ (41)
FICA - Employee	10,448	1,397,778	(1,399,121)	9,105
FICA and payroll- Employer	2,562	1,398,090	(1,086,966)	313,686
Unemployment	-	440,117	(440,117)	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ 33,989</b>	<b>\$ 5,851,467</b>	<b>\$ (5,562,706)</b>	<b>\$ 322,750</b>
<b>State and Local</b>				
Withholding	\$ 729	\$ 812,639	\$ (812,639)	\$ 729
Sales & Use	1,505,823	411,625	(428,133)	1,489,315
Property Taxes	1,363,346	384,261	(325,286)	1,422,321
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 2,869,898</b>	<b>\$ 1,608,525</b>	<b>\$ (1,566,058)</b>	<b>\$ 2,912,365</b>
<b>Total Taxes</b>	<b>\$ 2,903,887</b>	<b>\$ 7,459,992</b>	<b>\$ (7,128,764)</b>	<b>\$ 3,235,115</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR - 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Remedium Group, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>January 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 12,714	\$ (12,714)	\$ -
FICA - Employee	-	6,023	(6,023)	-
FICA and payroll- Employer	-	6,023	(6,023)	-
Unemployment	-	2,497	(2,497)	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 27,257	\$ (27,257)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 520	\$ (520)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 520	\$ (520)	\$ -
<b>Total Taxes</b>	\$ -	\$ 27,777	\$ (27,777)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>Grace Washington, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>January 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ 4,187	\$ (4,187)	\$ -
FICA - Employee	-	1,228	(1,228)	-
FICA and payroll- Employer	-	1,228	(1,228)	-
Unemployment	-	686	(686)	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ 7,329	\$ (7,329)	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ 795	\$ (795)	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ 795	\$ (795)	\$ -
<b>Total Taxes</b>	\$ -	\$ 8,124	\$ (8,124)	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

<b>L B Realty, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>January 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	\$ -	\$ -	\$ -	\$ -
<b>State and Local</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
<b>Total State and Local</b>	\$ -	\$ -	\$ -	\$ -
<b>Total Taxes</b>	\$ -	\$ -	\$ -	\$ -

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.



Chart 5

<b>Darex Puerto Rico, Inc.</b> <b>Status of Postpetition Taxes</b> <b>MOR-4</b> <b>January 2003</b>				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	42	978	(978)	42
FICA and payroll- Employer	-	978	(690)	288
Unemployment	-	792	(792)	-
Other	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ 42</b>	<b>\$ 2,748</b>	<b>\$ (2,460)</b>	<b>\$ 330</b>
<b>State and Local</b>				
Withholding	\$ -	\$ 1,705	\$ (1,705)	\$ -
Sales & Use	-	-	-	-
Property Taxes	246,080	4,064	(7,133)	243,011
Other	-	-	-	-
<b>Total State and Local</b>	<b>\$ 246,080</b>	<b>\$ 5,769</b>	<b>\$ (8,838)</b>	<b>\$ 243,011</b>
<b>Total Taxes</b>	<b>\$ 246,122</b>	<b>\$ 8,517</b>	<b>\$ (11,298)</b>	<b>\$ 243,341</b>

**Note #4**

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

**W. R. Grace & Co. - Conn**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**January 2003**

<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ 103,842,726
Amounts billed during the period	67,038,129
Amounts collected during the period	(70,279,830)
Other	2,364,253
Trade accounts receivable at the end of month, gross	\$ 102,965,278
<b>Trade Accounts Receivable Aging</b>	
Current	\$ 70,992,768
1-30 days past due	21,511,834
31-60 days past due	7,621,717
+61 days past due	2,838,959
Trade accounts receivable, gross	102,965,278
Allowance for doubtful accounts	(936,153)
Trade accounts receivable, net	\$ 102,029,125
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ 102,029,125
Customer notes and drafts receivable	876,687
Pending customer credit notes	(137,899)
Advances and deposits	5,194,387
Nontrade receivables, net	3,031,263
Total notes and accounts receivable, net	\$ 110,993,563

Chart 6

**Remedium Group, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**January 2003**

<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
<b>Trade Accounts Receivable Aging</b>	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	23,965
Total notes and accounts receivable, net	\$ 23,965

Chart 6

**Darex Puerto Rico, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**January 2003**

<b>Trade Accounts Receivable Reconciliation</b>	
Trade accounts receivable, beginning of month, gross	\$ 2,368,286
Amounts billed during the period	543,749
Amounts collected during the period	(500,409)
Other	(23,285)
Trade accounts receivable at the end of month, gross	\$ 2,388,341
<b>Trade Accounts Receivable Aging</b>	
Current	\$ 2,242,401
1-30 days past due	(306,207)
31-60 days past due	267,232
+61 days past due	184,915
Trade accounts receivable, gross	2,388,341
Allowance for doubtful accounts	(34,625)
Trade accounts receivable, net	\$ 2,353,716

<b>Notes and Accounts Receivable Reconciliation</b>	
Trade accounts receivable, net	\$ 2,353,716
Customer notes and drafts receivable	-
Pending customer credit notes	(3,543)
Advances and deposits	-
Nontrade receivables, net	3,148
Total notes and accounts receivable, net	\$ 2,353,321

Chart 6

**Grace Europe, Inc.**  
**Accounts Receivable Reconciliation and Aging**  
**MOR-5**  
**January 2003**

**Trade Accounts Receivable Reconciliation**

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

**Trade Accounts Receivable Aging**

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

**Notes and Accounts Receivable Reconciliation**

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	83,435
Total notes and accounts receivable, net	\$ 83,435

Chart 7

<b>W.R. Grace &amp; Co., et al</b> <b>Debtor Questionnaire</b> <b>MOR - 5</b> <b>January 2003</b>		
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		<b>X</b>
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	<b>X</b>	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	<b>X</b>	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	<b>X</b> (unless disputed in normal course of business)	

**Note #5**

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000.		
Description of Asset	Sale Date	Proceeds

## **Combined Chapter 11 Filing Entity Statements**

Chart 8

**W. R. Grace & Co. - Chapter 11 Filing Entities**  
**Combined Statement of Operations**

<b>Amounts in millions</b>	<b>Month Ended January 31, 2003</b>	<b>Cumulative Since Filing</b>
Net sales to third parties	\$ 67.6	\$ 1,586.3
Net sales to non-filing entities	11.4	246.6
Interest and royalties from non-filing entities	2.3	81.4
Other income	0.7	21.4
	<b>82.0</b>	<b>1,935.7</b>
Cost of goods sold to third parties	44.8	987.4
Cost of goods sold to non-filing entities	8.1	177.6
Selling, general and administrative expenses	22.5	489.0
Research and development expenses	3.8	75.6
Depreciation and amortization	5.1	109.2
Interest expense	1.4	47.7
	<b>85.7</b>	<b>1,886.5</b>
Income before Chapter 11 reorganization expenses, income taxes and equity in net income of non-filing entities	(3.7)	49.2
Chapter 11 reorganization expenses, net	(0.4)	(43.2)
Provision for income taxes	(0.4)	(39.2)
Equity in net income of non-filing entities	6.7	121.4
<b>Net income</b>	<b>\$ 2.2</b>	<b>\$ 88.2</b>

The Notes to Combined Financial Statements are an integral part of these statements.



Chart 9

W. R. Grace & Co. - Chapter 11 Filing Entities		
Combined Functional Basis Statement of Cash Flows		
Amounts in millions	Month Ended January 31, 2002	Cumulative Since Filing
<b>Core operations cash flow</b>		
Pre-tax income from core operations	\$ 0.3	\$ 188.9
Depreciation and amortization	5.1	109.2
	5.4	298.1
Changes in all core assets/liabilities and other	(6.7)	26.1
Net increase in accounts receivable due to termination of the securitization program	-	(64.8)
	(1.3)	259.4
Capital expenditures	(3.6)	(97.6)
<b>Core Pre-tax Operating Cash Flow</b>	<b>(4.9)</b>	<b>161.8</b>
<b>Charges against core reserves</b>		
Restructuring costs	-	-
Pension liabilities	(0.4)	(8.3)
Deferred compensation	-	(3.1)
Self insurance	-	(2.0)
<b>Total Spending Against Core Reserves</b>	<b>(0.4)</b>	<b>(13.4)</b>
<b>Core Cash Flow</b>	<b>(5.3)</b>	<b>148.4</b>
<b>Noncore cash flow</b>		
Proceeds from asset sales	-	5.0
Benefit proceeds under life insurance policies	-	28.5
Other noncore pretax cash flow	0.3	(1.3)
<b>Noncore Pre-tax Cash Flow</b>	<b>0.3</b>	<b>32.2</b>
<b>Charges against noncore reserves</b>		
<b>Asbestos</b>		
Asbestos claims processing	(0.9)	(20.5)
Less - insurance recovery	-	57.9
Net asbestos (payments) receipts	(0.9)	37.4
Environmental remediation	(1.3)	(41.4)
Retained obligations and other	(0.1)	(9.7)
Postretirement benefits	(2.2)	(40.4)
<b>Total Spending Against Noncore Reserves</b>	<b>(4.5)</b>	<b>(54.1)</b>
<b>Noncore Cash Flow</b>	<b>(4.2)</b>	<b>(21.9)</b>
<b>Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow</b>	<b>(9.5)</b>	<b>126.5</b>
Cash paid for taxes, net of refunds	0.8	(3.2)
Cash paid for interest	0.5	(1.4)
Chapter 11 reorganization expenses paid	(1.0)	(34.7)
<b>Cash Flow before Strategic Investments</b>	<b>(9.2)</b>	<b>87.2</b>
<b>Strategic Investments</b>		
Cash paid for businesses acquired	-	(4.0)
Proceeds from option exercises	-	-
Repurchase of treasury stock	-	(0.6)
<b>Cash used for Strategic Investments</b>	<b>-</b>	<b>(4.6)</b>
<b>Cash Flow after Strategic Investments</b>	<b>(9.2)</b>	<b>82.6</b>
Borrowings (repayments) under DIP facility	(0.1)	(2.9)
Net (investing)/financing activities under life insurance policies	-	(40.8)
<b>Net Cash Flow</b>	<b>\$ (9.3)</b>	<b>\$ 38.9</b>

The Notes to Combined Financial Statements are an integral part of these statements.

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities			
Combined Balance Sheet			
Amounts in millions	January 31, 2003	December 31, 2002	April 2, 2001
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 47.5	\$ 56.8	\$ 8.6
Notes and accounts receivable, net	113.5	115.0	43.8
Receivables from non-filing entities, net	40.6	41.3	51.2
Inventories	74.7	70.5	80.6
Deferred income taxes	21.3	22.2	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	54.6	30.8	21.9
<b>Total Current Assets</b>	<b>352.2</b>	<b>336.6</b>	<b>304.0</b>
Properties and equipment, net	388.3	389.7	400.4
Goodwill, net	14.5	14.5	13.6
Cash value of life insurance policies, net of policy loans	82.4	82.4	64.1
Deferred income taxes	568.5	567.0	401.0
Asbestos-related insurance expected to be realized after one year	282.6	282.6	323.4
Loans receivable from non-filing entities, net	467.1	444.4	387.5
Investment in non-filing entities	225.1	241.4	121.0
Other assets	81.2	82.9	308.5
<b>Total Assets</b>	<b>\$ 2,461.9</b>	<b>\$ 2,441.5</b>	<b>\$ 2,323.5</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>			
<b>Liabilities Not Subject to Compromise</b>			
<b>Current Liabilities</b>			
Debt payable within one year	\$ -	-	-
Accounts payable	39.5	41.2	-
Income Taxes Payable	4.9	5.0	-
Other current liabilities	52.7	53.1	-
<b>Total Current Liabilities</b>	<b>97.1</b>	<b>99.3</b>	<b>-</b>
Debt payable after one year	-	-	-
Other liabilities	229.5	229.6	31.8
<b>Total Liabilities Not Subject to Compromise</b>	<b>326.6</b>	<b>551.7</b>	<b>31.8</b>
<b>Liabilities Subject to Compromise</b>			
Debt, pre-petition plus accrued interest	539.8	538.8	511.5
Accounts payable	32.1	32.4	43.0
Income taxes payable	229.7	231.1	210.1
Asbestos-related liability	972.4	973.2	1,002.8
Other liabilities	561.5	559.2	598.6
<b>Total Liabilities Subject to Compromise</b>	<b>2,335.5</b>	<b>2,334.7</b>	<b>2,366.0</b>
<b>Total Liabilities</b>	<b>2,662.1</b>	<b>2,886.4</b>	<b>2,397.8</b>
<b>Shareholders' Equity (Deficit)</b>			
Common stock	0.8	0.8	0.8
Paid in capital	432.2	433.0	432.6
Accumulated deficit	(113.5)	(115.7)	(201.8)
Treasury stock, at cost	(136.1)	(137.0)	(136.4)
Accumulated other comprehensive income (loss)	(383.6)	(403.2)	(169.5)
<b>Total Shareholders' Equity (Deficit)</b>	<b>(200.2)</b>	<b>(222.1)</b>	<b>(74.3)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 2,461.9</b>	<b>\$ 2,441.5</b>	<b>\$ 2,323.5</b>

The Notes to Combined Financial Statements are an integral part of these statements.

**W. R. Grace & Co. – Chapter 11 Filing Entities**  
**Notes to Combined Financial Statements**  
**January 31, 2003**

## **1. Basis of Presentation and Summary of Significant Accounting and Financial Reporting Policies**

W. R. Grace & Co., through its subsidiaries, is engaged in specialty chemicals and specialty materials businesses on a worldwide basis. These businesses consist of catalysts and silica products ("Davison Chemicals") and construction chemicals, building materials and sealants and coatings ("Performance Chemicals").

W. R. Grace & Co. conducts substantially all of its business through a direct, wholly owned subsidiary, W. R. Grace & Co.-Conn. ("Grace-Conn."). Grace-Conn. owns substantially all of the assets, properties and rights of W. R. Grace & Co., either directly or through subsidiaries.

As used in these notes, the term "Company" refers to W. R. Grace & Co. The term "Grace" refers to the Company and/or one or more of its subsidiaries and, in certain cases, their respective predecessors.

### **Voluntary Bankruptcy Filing**

In response to a sharply increasing number of asbestos-related bodily injury claims, on April 2, 2001 (the "Filing Date"), W. R. Grace & Co. and 61 of its United States subsidiaries and affiliates, including Grace-Conn., (collectively, the "Debtors"), filed voluntary petitions for reorganization (the "Filing") under Chapter 11 of the United States Bankruptcy Code ("Chapter 11" or the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The cases were consolidated and are being jointly administered under case number 01-01139 (the "Chapter 11 Cases"). Grace's non-U.S. subsidiaries and certain of its U.S. subsidiaries were not included in the Filing.

During 2000 and the first quarter of 2001, Grace experienced several adverse developments in its asbestos-related litigation, including: a significant increase in bodily injury claims, higher than expected costs to resolve bodily injury and certain

property damage claims, and class action lawsuits alleging damages from a former attic insulation product. After a thorough review of these developments, the Board of Directors of Grace concluded on April 2, 2001 that a federal court-supervised Chapter 11 filing provided the best forum available to achieve predictability and fairness in the claims settlement process.

By filing under Chapter 11, Grace expects to be able to both obtain a comprehensive resolution of the claims against it and preserve the inherent value of its businesses. Under Chapter 11, the Debtors expect to continue to operate their businesses as debtors-in-possession under court protection from their creditors and claimants, while using the Chapter 11 process to develop and implement a plan for addressing the asbestos-related claims against them.

*Consequence of Filing* - As a consequence of the Filing, pending litigation against the Debtors for pre-petition matters is generally stayed (subject to certain exceptions in the case of governmental authorities), and no party may take action to realize its pre-petition claims except pursuant to an order of the Bankruptcy Court.

The Debtors intend to address all of their pending and future asbestos-related claims and all other pre-petition claims in a plan of reorganization. Such a plan of reorganization may include the establishment of a trust through which all pending and future asbestos-related claims would be channeled for resolution. However, it is currently impossible to predict with any degree of certainty the amount that would be required to be contributed to the trust, how the trust would be funded, how other pre-petition claims would be treated or what impact any reorganization plan may have on the shares of common stock of the Company. The interests of the Company's shareholders could be substantially diluted or cancelled under a plan of reorganization. The formulation and implementation of the plan of reorganization is expected to take a significant period of time.

*Status of Chapter 11 Proceedings* - Since the Filing, all motions necessary to conduct normal business activities have been approved by the Bankruptcy Court. In

addition, the Debtors have received approval from the Bankruptcy Court to pay or otherwise honor certain of its pre-petition obligations in the ordinary course of business, including employee wages and benefits, customer programs, shipping charges and a limited amount of claims of essential trade creditors.

As provided by the Bankruptcy Code, the Debtors had the exclusive right to propose a plan of reorganization for a 120-day period following the Filing Date. The Debtors have received an extension of their exclusivity period during which to file a plan of reorganization through August 1, 2003, and an extension of the Debtors' exclusive rights to solicit acceptances of a reorganization plan through October 1, 2003.

Three creditors' committees, two representing asbestos claimants and the third representing other unsecured creditors, and a committee representing shareholders have been appointed in the Chapter 11 Cases. These committees will have the right to be heard on all matters that come before the Bankruptcy Court, and, together with a legal representative of future asbestos claimants (whom Grace expects to be appointed by the Bankruptcy Court in the future), are likely to play important roles in the Chapter 11 Cases. The Debtors are required to bear certain of the committees' and the future asbestos claimants representative's costs and expenses, including those of their counsel and financial advisors.

The Debtors' Chapter 11 cases have been assigned to Judge Alfred M. Wolin, a senior federal judge who sits in Newark, New Jersey. Judge Wolin is presiding over asbestos bodily injury matters and the fraudulent conveyance litigation described below. He has assigned the Debtors' other bankruptcy matters to Judge Judith Fitzgerald, a U.S. bankruptcy judge from the Western District of Pennsylvania, sitting in Wilmington, Delaware.

At a hearing on April 22, 2002 the Bankruptcy Court entered an order establishing a bar date of March 31, 2003 for claims of general unsecured creditors, asbestos property damage claims and medical monitoring claims related to asbestos. The bar date does not apply to asbestos-related bodily injury claims or claims related to Zonolite® attic insulation ("ZAI"), which will be addressed separately. Grace has distributed notices and run media announcements of the bar date under a program approved by the

Bankruptcy Court. Rust Consulting, the court-approved claims handling agent for the Chapter 11 Cases, is maintaining a register of all claims filed. Grace is cataloguing claims as filed and assessing their validity. At this time, it is not possible to estimate the value of all the claims that will ultimately be allowed by the Bankruptcy Court. Grace is not able to determine a range of possible liability with any reasonable degree of accuracy, due to the uncertainties of the Chapter 11 process, the in-progress state of the Company's investigation of submitted in support of many claims.

In July 2002, the Bankruptcy Court approved special counsel to represent the ZAI claimants, at the Debtors' expense, in a proceeding to determine certain threshold scientific issues regarding ZAI. The court has set a litigation schedule that would result in pretrial hearings on these issues in the third quarter of 2003.

*Fraudulent Conveyance Claims* - On November 29, 2002 Sealed Air Corporation ("Sealed Air") and Fresenius Medical Care AG (Fresenius") each announced that they had reached agreements in principle with the Official Committee of Asbestos Personal Injury Claimants and the Official Committee of Asbestos Property Damage Claimants to settle claims of fraudulent conveyance related to the 1998 transaction involving Grace's former packaging business and Sealed Air, and the 1996 transaction involving Grace's former medical care business and Fresenius, respectively. Under the terms of the proposed Sealed Air settlement, Sealed Air would make a payment of \$512.5 million (plus interest at 5.5% per annum commencing on December 21, 2002) and nine million shares of Sealed Air common stock, valued at \$339.5 million as of January 31, 2003, as directed by the Bankruptcy Court, upon the effectiveness of Grace's plan of reorganization. Under the terms of the proposed Fresenius settlement, as subsequently revised, Fresenius would contribute \$115.0 million to the Grace estate, or as otherwise directed by the Bankruptcy Court, upon confirmation of a plan of reorganization. The Sealed Air and Fresenius settlements are subject to the approval of the Bankruptcy Court. Grace was not a party to these agreements and cannot predict how they may ultimately affect its plan of reorganization.

*Impact on Debt Capital* - All of the Debtor's pre-petition debt is in default due to the Filing. The

accompanying Consolidated Balance Sheet as of January 31, 2003 reflects the classification of the Debtors' pre-petition debt within "liabilities subject to compromise."

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement with Bank of America, N. A. (the "DIP facility") in the aggregate amount of \$250 million. The DIP facility has a term expiring on April 1, 2003 and bears interest under a formula based on the London Inter-Bank Offered Rate ("LIBOR") plus 2.00 to 2.25 percentage points depending on the level of loans outstanding. The Debtors have filed a motion with the Bankruptcy Court seeking approval to extend the term of the DIP facility for an additional three years and to modify certain other provisions.

#### **Basis of Presentation**

The interim combined financial statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W.R. Grace & Co. in conformity with generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W.R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in W.R. Grace & Co.'s 2001 Form 10-K and, when filed, its 2002 Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim consolidated financial statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated.

Transactions and balances with non-Debtor entities are separately disclosed.

Certain amounts in prior years' Consolidated Financial Statements have been reclassified to conform to the 2003 presentation.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principals requires that management make estimates and assumptions affecting the assets and liabilities (including contingent assets and liabilities) reported at the date of the Consolidated Financial Statements and the revenues and expenses reported for the periods presented. Actual amounts could differ from those estimates. Grace's accounting measurements that are most affected by management's estimates of future events are:

- Contingent liabilities such as asbestos-related matters, environmental remediation, tax exposures and retained obligations of divested businesses.
- Pension and post-retirement liabilities that depend on assumptions regarding discount rates and total returns on invested funds.
- Depreciation and amortization periods for long-lived assets, including property and equipment, intangible and other assets.
- Realization values of various assets such as receivables, inventories, insurance recoveries, income tax attributes and goodwill.

The accuracy of these and other estimates may also be materially affected by the uncertainties arising under the Chapter 11 Cases.

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## **2. Chapter 11 Related Financial Information**

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As a result of the Filing, Grace's Consolidated Balance Sheet as of January 31, 2003 separately identifies the liabilities that are "subject to compromise" under the Chapter 11 proceedings. In Grace's case, "liabilities subject to compromise" represent pre-petition liabilities as determined under U.S. generally accepted accounting principles. Changes to the recorded amount of such liabilities will be based on developments in the Chapter 11

Cases and management's assessment of the claim amounts that will ultimately be allowed by the Bankruptcy Court. Changes to pre-petition liabilities subsequent to the Filing Date reflect: 1) cash payments under approved court orders; 2) the accrual of interest on pre-petition debt at the pre-petition contractual rate; 3) accruals for employee-related programs; and 4) changes in estimates related to pre-petition contingent liabilities and assets.

Set forth below is a reconciliation of the changes in pre-filing date liability balances for the period from the Filing Date through January 31, 2003.

(Dollars in millions)	Current Month	Cumulative Since Filing
Balance, beginning of period .....	\$ 2,334.7	\$ 2,366.0
Cash disbursements and/or reclassifications under bankruptcy court orders:		
Freight and distribution order ....	—	(5.7)
Trade accounts payable order ....	—	(9.1)
Other court orders including employee wages and benefits, sales and use tax and customer programs .....	(1.3)	(146.4)
Expense/(income) items:		
Interest on pre-petition debt .....	1.0	36.5
Current period employment-related accruals .....	1.1	15.8
Change in estimate of environmental contingencies .....	—	76.5
Change in estimate of income tax contingencies .....	—	20.5
Balance sheet reclassifications .....	—	(18.6)
Balance, end of period .....	\$ 2,335.5	\$ 2,335.5

Pre-Filing Date obligations allowable under current court orders and expected to be paid prior to an adopted plan of reorganization are classified as "liabilities not subject to compromise." Additional liabilities subject to compromise may arise due to the rejection of executory contracts or unexpired leases, or as a result of the resolution of contingent or disputed claims.

### 3. Other Balance Sheet Accounts

(Dollars in millions)	January 31, 2003	Filing Date
<b>Notes and accounts receivable, net</b>		
Trade receivables, less allowance of \$1.0 (Filing Date - \$0.7) .....	\$ 105.1	\$ 32.3
Other receivables, less allowance of \$1.7 (Filing Date - \$2.1) .....	8.4	11.5
	\$ 113.5	\$ 43.8
<b>Inventories</b>		
Raw materials .....	\$ 18.3	\$ 20.3
In process .....	21.3	16.2
Finished products .....	57.8	63.8
General merchandise .....	10.2	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis .....	(32.9)	(29.3)
	\$ 74.7	\$ 80.6
<b>Other Assets</b>		
Unamortized pension costs .....	\$ 1.9	\$ 227.9
Deferred charges .....	27.0	40.4
Long-term receivables .....	1.4	1.9
Long-term investments .....	—	2.1
Patents, licenses and other intangible assets .....	20.1	25.2
Intangible asset - pension related .....	26.4	8.1
Other assets .....	4.4	2.9
	\$ 81.2	\$ 308.5
<b>Other Current Liabilities</b>		
Accrued compensation .....	\$ 20.7	\$ —
Accrued commissions .....	4.5	—
Customer programs .....	14.7	—
Accrued utilities .....	0.3	—
Accrued freight .....	2.8	—
Other accrued liabilities .....	9.7	—
	\$ 52.7	\$ —
<b>Other Liabilities</b>		
Deferred royalty income—nonfiling entities .....	\$ 11.6	\$ 31.8
Pension related .....	216.6	—
Other liabilities .....	1.3	—
	\$ 229.5	\$ 31.8
<b>Liabilities Subject to Compromise</b>		
Other postretirement benefits .....	\$ 145.2	\$ 185.4
Environmental remediation .....	199.8	164.8
Retained obligations of divested businesses .....	55.1	75.5
Pension related .....	75.1	70.8
Deferred compensation .....	5.7	8.2
Accrued compensation .....	—	13.5
Self insurance reserve .....	27.5	11.8
Other accrued liabilities .....	53.1	82.1
	\$ 561.5	\$ 598.6

#### 4. Life Insurance

The Debtors' are the beneficiary of life insurance policies on current and former employees with benefits in force of approximately \$2,240.8 million and a net cash surrender value of \$82.4 million at January 31, 2003. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years. The following table summarizes the net cash value at January 31, 2003 and Filing Date:

Components of Net Cash Value	January 31, 2003	Filing Date
Gross cash value .....	\$ 471.3	\$ 453.7
Principal - policy loans .....	(365.4)	(390.3)
Accrued interest - policy loans .....	(23.5)	0.7
Net cash value .....	\$ 82.4	\$ 64.1
Insurance benefits in force .....	\$ 2,240.8	\$ 2,286.0

The Debtors' financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

#### 5. Debt

On January 31, 2003, and Filing Date, the Debtors' were obligated for the following:

Components of Debt (Dollars in millions)	January 31, 2003	Filing Date
<b>Debt payable within one year</b>		
Other short-term borrowings .....	\$ --	\$ --
	\$ --	\$ --
<b>Debt payable after one year</b>		
DIP facility .....	\$ --	\$ --
Other long-term borrowings .....	--	--
	\$ --	\$ --
<b>Debt Subject to Compromise</b>		
Bank borrowings .....	\$ 500.0	\$ 500.0
8.0% Notes Due 2004 .....	--	5.7
7.75% Notes Due 2002 .....	--	2.0
Other borrowings .....	1.0	1.2
Accrued interest .....	38.8	2.6
	\$ 539.8	\$ 511.5

The Debtors have negotiated a debtor-in-possession post-petition loan and security agreement with Bank of America, N.A. (the "DIP facility") in the aggregate amount of \$250 million. The DIP facility has a term of two years, is secured by a priority lien on substantially

all assets of the Debtors, and bears interest at either Bank of America's prime rate or a formula based on the London Inter-Bank Offered Rate (LIBOR) plus 2.00 to 2.25 percentage points. The Bankruptcy Court issued a final approval of the DIP facility on May 3, 2001. As of January 31, 2003 Grace had no outstanding borrowings under the DIP facility.

The 7.75% Notes were repaid on June 11, 2001, and the 8.0% Notes were repaid on August 15, 2001, by the unaffiliated guarantor of the Notes. Grace's liability with respect to these notes is included in other liabilities subject to compromise as of January 31, 2003.

## **Bank Statements**



ST

W R GRACE & CO  
C/O CORPORATE ACCOUNTING  
7500 GRACE DRIVE  
COLUMBIA MD 21044-4098

Account No:  
Statement Start Date:  
Statement End Date:  
Statement Code:  
Statement No:

2014年12月

910-1-013572  
30 NOV 2002  
31 DEC 2002  
000-USA-21  
012

Page 1 of 4

TRANSACTIONS		BALANCES		ENCLOSURES		
Total Credits	2	136,054.96	Opening (30 NOV 2002)	Closing (31 DEC 2002)	Credits	0
Total Debits (Incl. checks)	21	162,268.57	Ledger	113,596.88	Debits	0
Total Checks Paid	0	0.00	Collected	113,596.88	Checks	0
				Collected		
				Ledger		
					\$87,383.27	
					87,383.27	

**Need to reconcile your accounts as soon as possible?** Take advantage of our promotional offer for **Internet Statements**. Download the statements for your accounts two business days after the statement cycle ends. Search for transactions listed in your statement. Export data as a text or formatted Excel file. **Best of all, receive your first three Internet Statements free of charge.** Please contact your **MP Morgan Relationship Manager** for further information.

Ledger Date	Adj. Ledger Date	Value Date	F. M.	Reference	Credit/Debit	Description	Closing Balances Date	Amount
<b>CREDITS</b>								
09DEC		09DEC		USD YOUR: TEBC OF 02/12/09 OUR: 0906200343JB	✓ 60,000.00	BOOK TRANSFER CREDIT B/O: W.R. GRACE AND COMPANY COLUMBIA MD 21044-4098 REF: HOWT	02DEC	99,461.67
24DEC		24DEC		USD YOUR: TEBC OF 02/12/24 OUR: 0646800358JB	✓ 76,054.96	BOOK TRANSFER CREDIT B/O: W.R. GRACE AND COMPANY COLUMBIA MD 21044-4098 REF: HOWT	03DEC	90,513.56
<b>DEBITS</b>								
02DEC	29NOV	29NOV		USD OUR: 0233600089WA	✓ 14,135.21	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 11/29/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	04DEC	83,687.53
03DEC	02DEC	02DEC		USD OUR: 0233700091WA	✓ 8,948.11	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/02/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	05DEC	73,555.43
<b>LEDGER BALANCES</b>								
							06DEC	65,288.09
							09DEC	118,585.60
							10DEC	110,005.16
							11DEC	104,110.14
							12DEC	93,301.34
							13DEC	84,913.92
							16DEC	79,710.26
							17DEC	74,003.88
							18DEC	66,785.34
							19DEC	62,431.92
							20DEC	52,886.84
							23DEC	48,945.04
							24DEC	111,235.94
							26DEC	105,667.85
							27DEC	97,977.05
							30DEC	92,381.79
							31DEC	87,383.27
<b>COLLECTED BALANCES</b>								
							02DEC	99,461.67

LEFT CODE:

USD - SAME DAY FUNDS	US1 - ONE DAY FLOAT	US3 - THREE DAY FLOAT	US5 - FIVE DAY FLOAT
USW - NEXT DAY FUNDS	US2 - TWO DAY FLOAT	US4 - FOUR DAY FLOAT	USM - MIXED FLOAT

PLEASE EXAMINE THIS STATEMENT OF ACCOUNT AT ONCE. THE MAINTENANCE OF THIS ACCOUNT IS SUBJECT TO THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND THE BANK'S TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS AND SERVICES. THE BANK DISCLAIMS RESPONSIBILITY FOR ANY ERROR IN OR IMPROPER CHARGE TO THE ACCOUNT AS RENDERED UNLESS INFORMED IN WRITING OF THIS ERROR OR CHARGE WITHIN SIXTY DAYS OF THE DELIVERY, MAILING OR AVAILABILITY OF THE STATEMENT AND CANCELED VOUCHERS. KINDLY REFER TO THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS STATEMENT IN ORDER TO DIRECT YOUR INQUIRIES TO THE PROPER DEPARTMENT FOR PROMPT ACTION.

TS

W R GRACE & CO  
C/O CORPORATE ACCOUNTING  
7500 GRACE DRIVE  
COLUMBIA MD 21044-4098

Account No:  
Statement Start Date:  
Statement End Date:  
Statement Code:  
Statement No:

910-1-013572  
30 NOV 2002  
31 DEC 2002  
000-USA-21  
012  
Page 2 of 4

## Statement of Account

Ledger Date	Adj. Ledger Date	Value Date	References	Debit	Credit	Description	Date	Closing Balance	Amount
<b>DEBITS CONTINUED</b>									
04DEC 03DEC		03DEC	USD OUR: 0233800085WA		✓ 6,826.03	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/03/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	03DEC	90,513.56	
05DEC 04DEC		04DEC	USD OUR: 0233900088WA		✓ 10,132.10	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/04/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	04DEC	83,687.53	
06DEC 05DEC		05DEC	USD OUR: 0234000087WA		✓ 8,267.34	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/05/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	05DEC	73,555.43	
09DEC 06DEC		06DEC	USD OUR: 0234300086WA		✓ 6,702.49	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/06/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	06DEC	65,288.09	
10DEC 09DEC		09DEC	USD OUR: 0234400085WA		✓ 8,580.44	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/09/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	09DEC	118,585.60	
11DEC 10DEC		10DEC	USD OUR: 0234500081WA		✓ 5,895.02	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/10/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	10DEC	110,005.16	
12DEC 11DEC		11DEC	USD OUR: 0234600089WA		✓ 10,808.80	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/11/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098	11DEC	104,110.14	
13DEC 12DEC		12DEC	USD OUR: 0234700088WA		✓ 8,387.42	GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.	12DEC	93,301.34	
							13DEC	84,913.92	
							16DEC	79,710.26	
							17DEC	74,003.88	
							18DEC	66,785.34	
							19DEC	62,431.92	
							20DEC	52,886.84	
							23DEC	48,945.04	
							24DEC	111,235.94	
							26DEC	105,667.85	
							27DEC	97,977.05	
							30DEC	92,381.79	
							31DEC	87,383.27	

JP Morgan Chase Bank



JP Morgan Chase

Statement of Account

In US Dollars

W R GRACE & CO  
C/O CORPORATE ACCOUNTING  
7500 GRACE DRIVE  
COLUMBIA MD 21044-4098

TS

Account No:  
Statement Start Date:  
Statement End Date:  
Statement Code:  
Statement No:

910-1-013572  
30 NOV 2002  
31 DEC 2002  
000-USA-21  
012  
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Ledger		Adjusted		Value		References		Credit/Debit		Description		Closing Balances	
Date	Date	Date	Date	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
<b>DEBITS CONTINUED</b>													
16DEC 13DEC				13DEC	USD OUR: 0235000085WA			5,203.66	✓	002-2-416598 FOR WORK OF 12/12/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.			
17DEC 16DEC				16DEC	USD OUR: 0235100083WA			5,706.38	✓	002-2-416598 FOR WORK OF 12/13/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.			
18DEC 17DEC				17DEC	USD OUR: 0235200086WA			7,218.54	✓	002-2-416598 FOR WORK OF 12/16/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.			
19DEC 18DEC				18DEC	USD OUR: 0235300081WA			4,353.42	✓	002-2-416598 FOR WORK OF 12/17/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.			
20DEC 19DEC				19DEC	USD OUR: 0235400084WA			9,545.08	✓	002-2-416598 FOR WORK OF 12/18/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.			
23DEC 20DEC				20DEC	USD OUR: 0235700083WA			3,941.80	✓	002-2-416598 FOR WORK OF 12/19/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.			
24DEC 23DEC				23DEC	USD OUR: 0235800084WA			13,764.06	✓	002-2-416598 FOR WORK OF 12/20/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO.			
										002-2-416598 FOR WORK OF 12/23/02 W R GRACE & CO C/O CORPORATE			



JP Morgan Chase Bank

JP Morgan Chase

## Statement of Account

TS

W R GRACE & CO  
C/O CORPORATE ACCOUNTING  
7500 GRACE DRIVE  
COLUMBIA MD 21044-4098

Account No: 910-1-013572  
Statement Start Date: 30 NOV 2002  
Statement End Date: 31 DEC 2002  
Statement Code: 000-USA-21  
Statement No: 012

in US Dollars

Page 4 of 4

Ledger		Adit/Ledger		Value		References		Credit/Debit		Description		Closing Balance	
Date		Date		Date								Date	Amount
<b>DEBITS CONTINUED</b>													
26DEC	24DEC			24DEC	USD	OUR: 0236000088WA		✓	5,568.09		ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098 GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/24/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		
27DEC	26DEC			26DEC	USD	OUR: 0236100088WA		✓	7,690.80		GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/26/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		
30DEC	27DEC			27DEC	USD	OUR: 0236400090WA		✓	5,595.26		GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/27/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		
31DEC	30DEC			30DEC	USD	OUR: 0236500090WA		✓	4,998.52		GOVERNMENT ALLOTMENT DEBIT COVERING DRAFTS TO A/C NO. 002-2-416598 FOR WORK OF 12/30/02 W R GRACE & CO C/O CORPORATE ACCOUNTING 7500 GRACE DRIVE COLUMBIA MD 21044-4098		

CHECKS

No Activity



191 Peachtree ST  
Atlanta GA 30303

03

TAXPAYER ID

13-5114230

W R GRACE & CO-CONN  
7500 GRACE DRIVE  
ATTN CORPORATE ACCTING  
COLUMBIA MD 21044

## Checking Statement

December 14, 2002 - December 31, 2002 ( 18 days)

Page 1 of 2

No Enclosures

C 0

FOR INFORMATION OR ASSISTANCE CONTACT:

Your Wachovia Banker.

Visit our web site at [www.wachovia.com](http://www.wachovia.com)

## Commercial Checking Account Summary

Account Number 8619-039102

Previous Balance	+ Deposits & Other Credits		- Checks & Other Debits		= Closing Balance
\$1,377.14	Deposits \$ .00	Other Credits \$ .00	Checks \$ .00	Other Debits \$ .00	\$1,377.14
Average Ledger Balance	\$1,377.14				

## Daily Activity and Balance

There was no activity for this statement period.



191 Peachtree ST  
Atlanta GA 30303

03

TAXPAYER ID

13-5114230

W R GRACE & CO-CONN  
7500 GRACE DRIVE  
ATTN CORPORATE ACCTING  
COLUMBIA MD 21044

## Checking Statement

No Enclosures  
C 0

December 1, 2002 - December 13, 2002 ( 13 days)

Page 1 of 2

FOR INFORMATION OR ASSISTANCE CONTACT:

Your Wachovia Banker

Visit our web site at [www.wachovia.com](http://www.wachovia.com)

## Commercial Checking Account Summary

Account Number 8619-039102

Previous Balance	+ Deposits & Other Credits		- Checks & Other Debits		= Closing Balance
\$1,377.14	Deposits \$0.00	Other Credits \$0.00	Checks \$0.00	Other Debits \$0.00	\$1,377.14

Average Ledger Balance \$1,377.14

## Daily Activity and Balance

There was no activity for this statement period.



WACHOVIA

**Commercial Checking**

01 2199500021812 036 130 0 0 77,433



W R GRACE AND CO-CONN  
 GENERAL ACCOUNT  
 ATTN: BONITA HARSH CCM SR CASH MNGR  
 7500 GRACE DR  
 COLUMBIA MD 21044

CB

**Commercial Checking**

11/30/2002 thru 12/31/2002

Account number: 2199500021812  
 Account holder(s): W R GRACE AND CO-CONN  
 GENERAL ACCOUNT

Taxpayer ID Number: 135114230

**Account Summary**

Opening balance 11/30	\$10,142.31
Deposits and other credits	2,115,259.76 +
Other withdrawals and service fees	2,115,612.99 -
Closing balance 12/31	\$9,789.08

**Deposits and Other Credits**

Date	Amount	Description
12/18	✓24,631.79	DEPOSIT
12/18	✓200,048.58	DEPOSIT
12/18	✓214,460.70	DEPOSIT
12/18	✓29,086.12	DEPOSIT
12/20	✓2,038.76	DEPOSIT
12/20	✓1,234,993.81	DEPOSIT
<b>Total</b>	<b>\$2,115,259.76</b>	

**Other Withdrawals and Service Fees**

Date	Amount	Description
12/20	727,941.74	FUNDS TRANSFER (ADVICE 021220011017) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 12/20/02 10:46AM
12/23	1,030,611.79	FUNDS TRANSFER (ADVICE 021223013320) SENT TO CHASE MANHATTAN B/ BNF=W R GRACE AND CO CONN OBI= RFB= 12/23/02 11:51AM
12/26	210.92	DEPOSITED ITEM RETURNED ADV # 539599

Other Withdrawals and Service Fees continued on next page.

## 03

2199500021812 036 130

0	0	77,435
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# WACHOVIA